PRESS RELEASE

Fayette County Water System Bond Credit Rating Upgraded

Standard and Poor’s, a prominent credit-rating agency, has upgraded its assessment of bonds issued by the Fayette County Water System. The rating has been improved to ‘AA’ from the previous ‘AA-‘ designation. The credit ratings scale used by Standard and Poor’s defines the ‘AA’ designation as one in which the obligor has “strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.”

Standard and Poor’s examines six main factors in determining credit ratings. They include economic considerations, financial data and capital improvement plans, rating-setting philosophy and practices, operational characteristics, management, and legal provisions. Recent revision of the rating criteria was a primary factor in the new rating for Fayette County Water System’s bond issues. The revisions were prompted by the overall fundamental strength of water systems, which have generally shown stability over the last decade. In addition, Standard and Poor’s noted that the county’s water system does not rely on non-operating revenues, and has maintained strong finances for several years. They anticipate that the system should have “sufficient capacity to meet demand in the foreseeable future.”

Standard and Poor’s announced a total of 21 water and sewer bond upgrades in the Southeastern United States on March 26, 2009. Four of these are Georgia locations. Within Georgia, only Fayette County received an upgraded rating for a stand-alone water system. The other three were combined water and sewer systems, which tend to receive higher ratings because of their combined ability to earn more total revenue.

The Fayette County Water System currently has three outstanding bond issues. The 1996 and 1998 bond series were issued to finance part of the county loop water line. A 2002 series was issued to finance a water tank constructed on Ellis Road, water line extension along New Hope Road, and a warehouse for water distribution activities. The enhanced credit rating will help existing bonds remain attractive to investors. A strong credit rating will help assure favorable interest rates for future bond issues needed for capital improvement financing.